

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 907

Introduced by Assembly Member Chesbro

February 26, 2009

An act to amend ~~Section 48650 of~~ Sections 48100, 48623, 48631, 48632, 48645, 48650, 48651, 48652, 48653, 48656, 48660, 48660.5, 48662, 48670, 48673, 48674, 48690, and 48691 of, to add Sections 48620.2 and 48651.5 to, and to repeal Sections 48633 and 48634 of, the Public Resources Code, relating to oil, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 907, as amended, Chesbro. California Oil Recycling Enhancement Act: rerefined oil.

The

(1) *The California Oil Recycling Enhancement Act, administered by the California Integrated Waste Management Board, among other things, generally defines terms and establishes the used oil recycling program, consisting of a recycling incentive system, grants or loans to local governments and nonprofit entities for specified purposes related to used lubricating oil collection and recycling and stormwater pollution from used oil and oil byproducts, development and implementation of an information and education program to promote alternatives to the illegal disposal of used oil, and a reporting, monitoring, and enforcement program to ensure that laws relating to used oil are properly carried out. A violation of the act is a crime.*

This bill would define the term "rerefined oil" and revise the definition of "used oil hauler" for purposes of the act, and would revise

and recast the used oil recycling program, so that, among other things, it would no longer provide for loans, and it would provide for the development and implementation of an information and education program to promote methods to reduce the amounts of used oil generated and to promote the use of rerefined oil in automotive and industrial lubricants. The bill would revise the purposes for which grants under the program may be made and would authorize grants additionally to be made to private entities.

(2) The act generally requires every oil manufacturer to pay to the board an amount equal to \$0.04 for every quart, or \$0.16 for every gallon, of lubricating oil sold or transferred in the state, or imported into the state for use in the state.

This bill would ~~authorize the board to develop a program to provide incentives to manufacturers of rerefined oil, as the bill would define that term, to develop additional capacity for the rerefining of used oil~~ increase those amounts to \$0.06 per quart and \$0.24 per gallon, would authorize the board to adjust the fee annually, as specified, and would exempt from the payment of the fee oil sold as finished lubricant containing 100% rerefined base lubricant.

(3) The act requires the board to pay a recycling incentive to every industrial generator, curbside collection program, and certified used oil collection center, for used lubricating oil if certain conditions apply, and to an electric utility, as defined, for certain used lubricating oil. Existing law requires the board to set the recycling incentive amount at not less than \$0.04 per quart, and authorizes the board to set the amount at a higher amount if the board determines that a higher amount is necessary to promote recycling of used lubricating oil and sufficient funds are available in the California Used Oil Recycling Fund.

This bill would revise the conditions applicable to used lubricating oil that must be met before the board is required to pay the recycling incentive, and would delete the requirement that the board pay the recycling incentive to an electric utility for certain used lubricating oil.

The bill additionally would require the board to pay a rerefining incentive to certain recycling facilities that produce rerefined base lubricant meeting specified requirements. The bill would require the board, on or before January 1, 2012, to consider whether to implement additional incentives that prioritize the highest and most beneficial uses of used lubricating oil.

The bill would require the board to increase the recycling incentive to not less than \$0.10 per quart and to set the rerefining incentive at

not less than \$0.02 per quart, and would authorize the board to increase those amounts if it determines that a higher amount is necessary to promote the collection and recycling of used lubricating oil or the rerefining of used lubricating oil, as applicable, and sufficient funds are available in the California Used Oil Recycling Fund.

(4) The act requires the board to deposit the charges described in (2) above, civil penalties and fines paid pursuant to the act, and all other revenues received pursuant to the act, in the California Used Oil Recycling Fund, part of which is continuously appropriated to the board to pay recycling incentives, to provide a reserve for contingencies, to make specified payments for implementation of certain local used oil collection programs in a total amount equal to \$10,000,000 or one-half the amount remaining in the fund after specified expenditures are made, for certain grants and loans, and for reimbursement for certain disposal costs of contaminated used oil. The act authorizes money in the fund, upon appropriation by the Legislature, among other things, to be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account in the General Fund, to pay costs associated with implementing and operating the farm and ranch solid waste cleanup and abatement grant program.

This bill would increase the amount available for payments for implementation of local used oil collection programs to \$13,000,000, thereby making an appropriation. The bill would prohibit money in the California Used Oil Recycling Fund attributable to increasing or adjusting the charge on oil manufacturers described in (2) above from being transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account.

(5) The act prohibits a used oil collection center from being eligible for the payment of recycling incentives until the board has certified the center. Certification eligibility includes compliance with public notice and operational requirements. The act requires a center to reapply for certification every 2 years.

This bill instead would require a center to reapply for certification every 4 years and would revise the certification eligibility requirements.

(6) Under the act, if the board finds that a shipment of used oil from a certified used oil collection center or a curbside collection program is contaminated by hazardous material and other specified requirements are met, the board, upon application of the center or program, is required to reimburse the center or program for the additional disposal

cost of the used oil, subject to eligibility requirements and payment limitations.

This bill would include uncertified publicly funded used oil collection centers in small rural counties in those entities eligible to receive that reimbursement, and would modify the eligibility requirements and payment limitations.

(7) The act imposes certification requirements for used oil recycling facilities.

This bill also would impose certification requirements on rerefiners of used oil. The bill would require certain out-of-state recycling facilities to make specified certifications of compliance with certain federal and state laws, thereby imposing a state-mandated local program, by creating a new crime.

(8) The act imposes reporting requirements on industrial generators of used lubricating oil, used oil collection centers, and curbside collection programs, to be eligible for payment of a recycling incentive.

This bill would revise those reporting requirements.

(9) This bill would make other related changes to the act.

(10) Because a violation of the act is a crime, the bill would impose a state-mandated local program by, among other things, bringing rerefiners of used lubricating oil within the ambit of the act.

(11) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 48100 of the Public Resources Code is*
2 *amended to read:*

3 48100. (a) The Legislature hereby finds and declares that
4 illegal disposal of solid waste on property owned by innocent
5 parties is a longstanding problem needing attention and that grants
6 provided under this chapter will support the cleanup of farm and
7 ranch property.

(b) The board shall establish a farm and ranch solid waste cleanup and abatement grant program for the purposes of cleaning up and abating the effects of illegally disposed solid waste pursuant to this chapter.

(c) (1) The Farm and Ranch Solid Waste Cleanup and Abatement Account is hereby created in the General Fund and may be expended by the board, upon appropriation by the Legislature in the annual Budget Act, for the purposes of this chapter.

(2) The following funds shall be deposited into the account:

(A) Money appropriated by the Legislature from the Integrated Waste Management Fund or the California Used Oil Recycling Fund to the board for the grant program, or from the California Tire Recycling Management Fund to the board for the purposes set forth in *paragraph (10) of subdivision-(j) (b) of Section 42889*.

(B) Notwithstanding Section 16475 of the Government Code, any interest earned on the money in the account.

(3) The board may expend the money in the account for both of the following purposes:

(A) To pay the costs of implementing this chapter, which costs shall not exceed 7 percent of the funds available for the grant program.

(B) To make payments for grants authorized by this chapter.

(4) Upon authorization by the Legislature in the annual Budget Act, the sum of all funds transferred into the account from other funds or accounts shall not exceed one million dollars (\$1,000,000) annually.

~~(5) Notwithstanding~~ *Except as provided in paragraph (2) of subdivision (c) of Section 4865 and notwithstanding any other provision of law, the grant program shall be funded from the following funds:*

(A) The Integrated Waste Management Fund.

(B) The California Tire Recycling Management Fund, for the purposes set forth in *paragraph (10) of subdivision-(j) (b) of Section 42889*.

(C) The California Used Oil Recycling Fund.

(d) For purposes of this chapter, the following definitions shall apply:

(1) "Native American tribe" has the same meaning as tribe, as defined in subdivision (b) of Section 44201.

(2) “Public entity” means a city, county, or resource conservation district.

SEC. 2. Section 48620.2 is added to the Public Resources Code, to read:

48620.2. “Rerefined oil” means a lubricant base stock or oil base that has been derived from used oil and meets all the following criteria:

(a) Processed using a series of mechanical or chemical methods, or both, including, but not limited to, vacuum distillation, followed by solvent refining or hydrotreating.

(b) Capable of meeting the Physical and Compositional Properties, in addition to the Contaminants and Toxicological Properties, as defined under the American Society for Testing and Materials (ASTM) D6074-99 standard.

(c) Processed into a material that has a quality level suitable for use in a finished lubricant.

SEC. 3. Section 48623 of the Public Resources Code is amended to read:

48623. “Used oil hauler” means a hazardous waste hauler registered pursuant to Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code who transports used oil to a used oil recycling facility certified pursuant to Article 7 (commencing with Section 48660), to a used oil storage facility, to a used oil transfer facility, or to an out-of-state recycling facility registered with the ~~Environmental Protection Agency and operated in substantial compliance with applicable regulatory standards of the state in which the recycling facility is located~~ board to be operating in substantial compliance with Part 279 (commencing with Section 279.1) of Title 40 of the Code of Federal Regulations.

SEC. 4. Section 48631 of the Public Resources Code is amended to read:

48631. The used oil recycling program shall include, but is not limited to, all of the following:

(a) A recycling incentive system as described in Article 6 (commencing with Section 48650).

(b) ~~Grants or loans, as Public and private partnerships between the board and local governments, nonprofit entities, and private entities for the purposes specified in Section 48632.~~

(c) Development and implementation of an information and education program ~~for the promotion of alternatives to the illegal disposal of used oil to promote safe and proper used oil collection and treatment methods, methods to reduce used oil generation, and advances in new and existing technologies, including, but not limited to, use of rerefined oil in automotive and industrial lubricants.~~

(d) A reporting, monitoring, and enforcement program to ensure that all statutes and regulations relating to used oil are properly carried out.

SEC. 5. Section 48632 of the Public Resources Code is amended to read:

48632. The board may ~~issue grants or loans~~, pursuant to subdivision (b) of Section 48631 ~~for only the following purposes:~~

~~(a) To, issue grants to or contract with local governments for providing opportunities for used lubricating oil collection, which are in addition to those included in the local used oil collection programs adopted pursuant to Article 10 (commencing with Section 48690). Grants or loans under this subdivision may also be for those purposes identified in subdivision (d), nonprofit entities, and private entities, for any of the following purposes:~~

~~(a) Providing and maintaining collection and recycling opportunities for used lubricating oil and filters that are in addition to those included in the local used oil collection programs adopted pursuant to Article 10 (commencing with Section 48690).~~

~~(b) To nonprofit entities for projects, which may include one or more of the following programs or activities:~~

~~(1) Establishing used lubricating oil collection centers.~~

~~(2) Providing containers and other materials and supplies that the public can utilize in an environmentally sound manner to store used lubricating oil for pickup or return to a used oil collection center.~~

~~(3) Obtaining equipment and establishing procedures to comply with federal, state, and local law regarding the collection, handling, and storage of used oil.~~

~~(4) For the purposes identified in subdivision (d).~~

~~(e) For either or both of the following purposes:~~

~~(1)~~

~~(b) Research, testing, and demonstration projects for in-service uses, collection technologies, and to develop uses for products~~

1 ~~resulting from the recycling of used oil~~ *end-of-life used oil*
2 *management.*

3 ~~(2) The purposes identified in subdivision (d).~~

4 ~~(d) (1) For education and mitigation projects relating to~~
5 ~~stormwater pollution from used oil and oil byproducts, including,~~
6 ~~but not limited to, use of storm drain inlet filter devices.~~

7 ~~(c) Developing uses and markets for low environmental impact~~
8 ~~products resulting from the recycling of used oil, including, but~~
9 ~~not limited to, promoting the manufacture of rerefined lubricating~~
10 ~~oil.~~

11 ~~(d) Product advancements and developments in lubricating oil~~
12 ~~resulting from, but not limited to, new requirements or technologies~~
13 ~~in fuel efficiency and performance, synthetic or biobased~~
14 ~~lubricants, alternative fuels, and methods to extend lubricating oil~~
15 ~~life.~~

16 ~~(e) Education and mitigation projects relating to stormwater~~
17 ~~pollution and its impacts on receiving waters, soils, and oceans.~~

18 ~~(2)~~

19 ~~(f) A local government shall not receive a grant or loan contract~~
20 ~~pursuant to this section for any purpose identified in paragraph (1)~~
21 ~~subdivision (e) unless the local government certifies that it has a~~
22 ~~stormwater management program that is approved by the~~
23 ~~appropriate California regional water quality control board and~~
24 ~~that the project approved for funding under paragraph (1)~~
25 ~~subdivision (e) is consistent with that approved stormwater~~
26 ~~management program.~~

27 ~~(g) An information and education program pursuant to~~
28 ~~subdivision (c) of Section 48631.~~

29 ~~SEC. 6. Section 48633 of the Public Resources Code is~~
30 ~~repealed.~~

31 ~~48633. The grants to nonprofit organizations and governmental~~
32 ~~entities authorized by subdivisions (a) and (b) of Section 48632~~
33 ~~may include grants to offset operational expenses.~~

34 ~~SEC. 7. Section 48634 of the Public Resources Code is~~
35 ~~repealed.~~

36 ~~48634. In adopting the program required by this article, the~~
37 ~~board shall consider information developed pursuant to the Used~~
38 ~~Oil Collection Demonstration Grant Program Act of 1990 (Chapter~~
39 ~~1.5 (commencing with Section 3475) of Division 3).~~

1 *SEC. 8. Section 48645 of the Public Resources Code is*
2 *amended to read:*

3 48645. ~~Final~~ *Except for payments made to local governments*
4 *pursuant to paragraph (3) of subdivision (a) of Section 48653,*
5 *final approval of applicant and project eligibility standards, scoring*
6 *and evaluation processes, and awarding of loans or grants under*
7 *this chapter shall be made in a public meeting of, and pursuant to*
8 *a vote of, the board.*

9 *SEC. 9. Section 48650 of the Public Resources Code is*
10 *amended to read:*

11 48650. (a) Every oil manufacturer shall pay to the board, on
12 or before the last day of the month following each quarter, an
13 amount equal to ~~four cents (\$0.04)~~ *six cents (\$0.06)* for every quart,
14 or ~~sixteen cents (\$0.16)~~ *twenty-four cents (\$0.24)* for every gallon,
15 of lubricating oil sold or transferred in the state, or imported into
16 the state for use in the state in that quarter. For lubricating oil sold
17 by weight, a weight to volume conversion factor of 7.5 pounds per
18 gallon shall be used to determine the fee. *The board may adjust*
19 *the fee not more than once annually to reflect increases or*
20 *decreases in the cost-of-living index during the prior fiscal year*
21 *as measured by the California Consumer Price Index issued by*
22 *the Department of Industrial Relations or a successor agency.*
23 Except as provided in subdivision (b), no payment is required for
24 oil ~~which~~ *that* meets any of the following:

25 (1) Oil for which a payment has already been made to the board
26 pursuant to this section.

27 (2) Oil exported or sold for export from the state.

28 (3) Oil sold for use in vessels operated in interstate or foreign
29 commerce.

30 (4) Oil imported into the state in the engine crankcase,
31 transmission, gear box, or differential of an automobile, bus, truck,
32 vessel, plane, train, or heavy equipment or machinery.

33 (5) Bulk oil imported into, transferred in, or sold in the state to
34 a motor carrier, as defined in Section 408 of the Vehicle Code,
35 and used in a vehicle designated in subdivisions (a) and (b) of
36 Section 34500 of the Vehicle Code.

37 (6) The oil otherwise subject to payment pursuant to this
38 subdivision has a volume of five gallons or less.

39 (7) *Oil sold as a finished lubricant containing 100 percent*
40 *rerefined base lubricant.*

(b) If oil exempted from payment pursuant to subdivision (a) is subsequently sold or transferred for use, or is used, in this state, and the use does not qualify for exemption pursuant to subdivision (a), the entity ~~which~~ *that* sells, transfers, or uses the oil for a purpose ~~which~~ *that* is not exempt from payment, shall make the payment specified in subdivision (a).

(c) This section shall become operative on January 1, ~~2000~~ 2010.

SEC. 10. Section 48651 of the Public Resources Code is amended to read:

48651. (a) The board shall pay a recycling incentive *pursuant to subdivision (a) of Section 48652* to every industrial generator, curbside collection program, and certified used oil collection center, for used lubricating oil collected from the public; or generated by ~~the certified used oil collection center or the industrial generator, and transported by a used oil hauler to the facilities specified in Section 48623.~~ *if either of the following conditions apply:*

(1) *The used lubricating oil is transported by a used oil hauler to a used oil storage facility or to a used oil transfer facility.*

(2) *The used lubricating oil is transported by a used oil hauler directly to an in-state used oil recycling facility that is certified in accordance with subdivision (a) of Section 48662, or to an out-of-state used oil recycling facility registered with the board to be operating in substantial compliance with Part 279 (commencing with Section 279.1) of Title 40 of the Code of Federal Regulations.*

~~(b) The board shall pay a recycling incentive to an electric utility, as defined in Section 25108, for used lubricating oil generated and used by the electric utility for electrical generation if the electric utility's use of the used lubricating oil meets the requirements of subparagraph (C) of paragraph (2) of subdivision (d) of Section 25143.2 of the Health and Safety Code and the used oil is in compliance with the standards for recycled oil established in paragraph (3) of subdivision (a) of Section 25250.1 of the Health and Safety Code.~~

~~(e)~~

~~(b) A person or entity that generates used industrial oil or a used oil storage facility or a used oil transfer facility that accepts used oil pursuant to paragraph (1) of subdivision (a) shall cause that oil to be transported by a used oil hauler to a certified used oil~~

1 recycling facility *certified pursuant to subdivision (a) of Section*
2 *48662 or to an out-of-state used oil recycling facility registered*
3 *with the Environmental Protection Agency and operating in*
4 *substantial compliance with applicable regulatory standards of the*
5 *state in which the recycling facility is located board to be operating*
6 *in substantial compliance with Part 279 (commencing with Section*
7 *279.1) of Title 40 of the Code of Federal Regulations.*

8 *SEC. 11. Section 48651.5 is added to the Public Resources*
9 *Code, to read:*

10 *48651.5. (a) The board, with regard to promoting the recycling*
11 *of used lubricating oil into rerefined oil, shall pay a rerefining*
12 *incentive pursuant to subdivision (b) of Section 48652 if all of the*
13 *following conditions are met:*

14 *(1) The facility is an in-state or out-of-state recycling facility*
15 *that is certified in accordance with subdivision (c) of Section 48662*
16 *and produces rerefined base lubricant meeting the specifications*
17 *of rerefined oil as defined in Section 48620.2.*

18 *(2) The used oil was generated and collected within the state*
19 *and prior to treatment or processing has been tested to meet the*
20 *definition of used oil as specified in paragraph (1) of subdivision*
21 *(a) of Section 25250.1 of the Health and Safety Code.*

22 *(3) The facility submits to the board a completed used oil*
23 *rerefining incentive payment claim in the form and manner that*
24 *the board may prescribe.*

25 *(b) To further promote the safe management of used oil, the*
26 *board, using existing financial resources, shall identify and*
27 *evaluate the most environmentally beneficial uses of used*
28 *lubricating oil. On or before January 1, 2012, the board shall*
29 *consider whether to implement additional incentives pursuant to*
30 *this section that prioritize the highest and most beneficial uses of*
31 *used lubricating oil.*

32 *SEC. 12. Section 48652 of the Public Resources Code is*
33 *amended to read:*

34 *48652. (a) The board shall set the recycling incentive amount*
35 *at not less than four cents (\$0.04) ten cents (\$0.10) per quart. The*
36 *amount board may be set the amount at an amount higher than*
37 *four cents (\$0.04) ten cents (\$0.10) if the board determines that a*
38 *higher amount is necessary to promote the collection and recycling*
39 *of used lubricating oil and sufficient funds are available in the*
40 *fund. The board shall not change the amount of the recycling*

1 incentive until at least one year has passed since the amount was
2 last set. The board shall continue providing recycling incentives
3 to certified used oil collection centers at the previous rate for one
4 month after setting the recycling incentive at a different rate. The
5 board shall not raise the recycling incentive amount unless it finds
6 that the raise will not adversely affect funding required pursuant
7 to Sections 48631, 48653, and 48660.5.

8 (b) The board shall set the rerefining incentive at not less than
9 two cents (\$0.02) per quart. The board may set the amount at an
10 amount higher than two cents (\$0.02) per quart if the board
11 determines that a higher amount is necessary to promote rerefining
12 of used lubricating oil and sufficient funds are available in the
13 fund.

14 (c) The board shall not change the amount of an incentive paid
15 pursuant to this section until at least one year has passed since
16 the amount was last set. The amount of an incentive paid by the
17 board shall remain at the previous amount for one month after
18 setting the incentive at a different amount. The board shall not
19 raise the amount of an incentive paid or implement other incentive
20 options pursuant to subdivision (b) of Section 48651.5 unless it
21 finds that the raise will not adversely affect funding required
22 pursuant to Sections 48631, 48653, and 48660.5.

23 SEC. 13. Section 48653 of the Public Resources Code is
24 amended to read:

25 48653. The board shall deposit all amounts paid pursuant to
26 Section 48650 by manufacturers, civil penalties, ~~or~~ and fines paid
27 pursuant to this chapter, and all other revenues received pursuant
28 to this chapter into the California Used Oil Recycling Fund, which
29 is hereby created in the State Treasury. Notwithstanding Section
30 13340 of the Government Code, the money in the fund is to be
31 appropriated solely as follows:

32 (a) Continuously appropriated to the board for expenditure for
33 the following purposes:

- 34 (1) To pay recycling incentives pursuant to Section 48651.
35 (2) To provide a reserve for contingencies, as may be available
36 after making other payments required by this section, in an amount
37 not to exceed one million dollars (\$1,000,000).
38 (3) To make ~~block grants~~ payments for the implementation of
39 local used oil collection programs adopted pursuant to Article 10
40 (commencing with Section 48690) to cities, based on the city's

1 population, and counties, based on the population of the
2 unincorporated area of the county, ~~in a. Notwithstanding~~
3 ~~subdivision (b) of Section 48656, the total annual amount shall~~
4 ~~equal to ten thirteen million dollars (\$10,000,000) or half~~
5 ~~(\$13,000,000), except that the board may issue the payments as~~
6 ~~follows, if sufficient funds are not available in the fund:~~

7 (A) (i) ~~One-half of the amount which that remains in the fund~~
8 ~~after the expenditures are made pursuant to paragraphs (1) to (3),~~
9 ~~inclusive, and (2) and subdivision (b), whichever amount is~~
10 ~~greater, multiplied by the fraction equal to the population of cities~~
11 ~~and counties which are eligible for block grants pursuant to Section~~
12 ~~48690, divided by the population of the state. The board shall use~~
13 ~~the latest population estimates of the state generated by the~~
14 ~~Population Research Unit of the Department of Finance in making~~
15 ~~the calculations required by this paragraph.~~

16 (ii) ~~The board may utilize additional amounts from the fund up~~
17 ~~to, but not exceeding, thirteen million dollars (\$13,000,000).~~

18 (B) ~~Pursuant to paragraph (2) of subdivision (d) of Section~~
19 ~~48691, it is the intent of this paragraph that at least three million~~
20 ~~dollars (\$3,000,000) be made available specifically for used oil~~
21 ~~filter collection and recycling programs.~~

22 (C) ~~Payments shall be determined by multiplying the total~~
23 ~~annual amount by the fraction equal to the population of cities~~
24 ~~and counties that are eligible for payments pursuant to Section~~
25 ~~48690, divided by the population of the state. The board shall use~~
26 ~~the latest population estimates of the state generated by the~~
27 ~~Population Research Unit of the Department of Finance in making~~
28 ~~the calculations required by this paragraph.~~

29 (4) ~~To implement Section 48660.5, in an amount not to exceed~~
30 ~~two hundred thousand dollars (\$200,000) annually.~~

31 ~~(4)~~

32 (5) ~~For expenditures pursuant to Section 48656.~~

33 (b) ~~The money in the fund may be expended by the board for~~
34 ~~the administration of this chapter and by the department for~~
35 ~~inspections and reports pursuant to Section 48661, only upon~~
36 ~~appropriation by the Legislature in the annual Budget Act.~~

37 (c) ~~The (1) Except as provided in paragraph (2), the money in~~
38 ~~the fund may be transferred to the Farm and Ranch Solid Waste~~
39 ~~Cleanup and Abatement Account in the General Fund, upon~~
40 ~~appropriation by the Legislature in the annual Budget Act, to pay~~

1 the costs associated with implementing and operating the Farm
2 and Ranch Solid Waste Cleanup and Abatement Grant Program
3 established pursuant to Chapter 2.5 (commencing with Section
4 48100).

5 *(2) The money in the fund attributable to a charge increase or*
6 *adjustment made or authorized in an amendment to subdivision*
7 *(a) of Section 48650 by the act adding this paragraph shall not be*
8 *transferred to the Farm and Ranch Solid Waste Cleanup and*
9 *Abatement Account.*

10 (d) Appropriations to the board to pay the costs necessary to
11 administer this chapter, including implementation of the reporting,
12 monitoring, and enforcement program pursuant to subdivision (d)
13 of Section 48631, shall not exceed three million dollars
14 (\$3,000,000) annually.

15 (e) The Legislature hereby finds and declares its intent that the
16 sum of ~~two three~~ hundred fifty thousand dollars ~~(\$250,000)~~
17 *(\$350,000)* should be annually appropriated from the California
18 Used Oil Recycling Fund in the annual Budget Act to the board,
19 commencing with fiscal year ~~1996-97~~ 2010-11, for the purposes
20 of Section 48655 *and to conduct those investigations and*
21 *enforcement actions necessary to implement subdivision (b) of*
22 *Section 48651.*

23 *SEC. 14. Section 48656 of the Public Resources Code is*
24 *amended to read:*

25 48656. After all of the expenditures pursuant to Section 48653
26 have been made, notwithstanding paragraph ~~(4)~~ (5) of subdivision
27 (a) of Section 48653, the balance remaining in the fund shall be
28 available to the board ~~for expenditure solely~~ for the *following*
29 *purposes:*

30 (a) *The* implementation of subdivisions (b) and (c) of Section
31 48631 and ~~Sections 48632 and 48660.5. The board shall not expend~~
32 ~~more than two hundred thousand dollars (\$200,000) to implement~~
33 ~~Section 48660.5 and at least 40 percent of the money remaining~~
34 ~~in the fund shall be expended for the purposes of subdivision (a)~~
35 ~~of Section 48632, at least 10 percent shall be expended for the~~
36 ~~purposes of subdivision (b) of Section 48632, at least 20 percent~~
37 ~~shall be expended for the purposes of subdivision (c) of Section~~
38 ~~48631, and at least 10, but not more than 15, percent shall be~~
39 ~~expended for the purposes of subdivision (c) of Section 48632.~~
40 *Section 48651.5, subject to both of the following requirements:*

1 (1) *The allocation of funds to implement subdivisions (b) and*
2 *(c) of Section 48631 shall be at the discretion of the board to be*
3 *determined annually in a public meeting and pursuant to a vote*
4 *of the board.*

5 (2) *The board shall pay rerefining incentives pursuant to Section*
6 *48651.5 provided sufficient funds are available in the fund.*

7 (b) *Annual revenues left unspent in excess of one million dollars*
8 *(\$1,000,000) shall be allocated pursuant to paragraph (3) of*
9 *subdivision (a) of Section 48653 for local collection programs*
10 *adopted pursuant to Article 10 (commencing with Section 48690).*

11 SEC. 15. *Section 48660 of the Public Resources Code is*
12 *amended to read:*

13 48660. (a) No used oil collection center shall be eligible for
14 the payment of recycling incentives until the board has certified
15 that the center is in compliance with the requirements specified in
16 subdivision (b). Before certification, the board may require the
17 center to submit any information that the board determines is
18 necessary to find that the center is in compliance with those
19 requirements. A center shall reapply for certification every two
20 four years. The board may cancel the certification of a center if
21 the board finds, after a public hearing, that the center is not, or has
22 not been, in compliance with subdivision (b). The board may
23 withhold the payment of recycling incentives for used lubricating
24 oil collected by a center if the board finds that the center was not
25 in compliance with subdivision (b) during the time in which the
26 used lubricating oil was collected.

27 (b) To be eligible for certification by the board and for the
28 payment of recycling incentives, the used oil collection center shall
29 do all of the following:

30 (1) ~~(A) Accept used lubricating oil from the public at no charge~~
31 ~~during the hours between 8 a.m. and 8 p.m. that the entity operating~~
32 ~~as the center is open for business.~~

33 ~~(B) The board may approve alternative hours for the acceptance~~
34 ~~of used lubricating oil by an individual center if either of the~~
35 ~~following conditions is met:~~

36 ~~(i) The center accepts used lubricating oil for 12 continuous~~
37 ~~hours daily.~~

38 ~~(ii) The center demonstrates that compliance with Section 279.31~~
39 ~~of Title 40 of the Code of Federal Regulations prevents the center~~
40 ~~from complying with subparagraph (A).~~

(2) Pay to ~~any~~ a person, *at his or her request*, an amount equal to the recycling incentive ~~which~~ *that* the center will receive for used lubricating oil brought to the center in containers by the person. Nothing in this chapter prohibits ~~any~~ a person from donating used lubricating oil to a center. ~~With the exception of centers that generate used lubricating oil by servicing motor vehicles,~~ *The* recycling incentive may be in the form of a credit that may be applied toward the purchase of goods or services offered by the center, as determined by the board. The credit shall be in the form of a voucher or coupon with a value of at least twice the incentive amount to be paid pursuant to Section 48652 and have no other limits for use, unless prescribed by the board.

(3) Provide information to the board for informing the public of the center's acceptance of used lubricating oil.

(4) Provide notice to the public, ~~through onsite signs and periodic advertising in local media,~~ of the center's acceptance of used lubricating oil from the public: *through periodic advertising in local media and onsite signs that meet the following requirements:*

(A) Onsite signs shall be of a design *and specification* prescribed by the board and ~~exterior signs shall be posted in a location that is easily visible from a public street shall state that the center is certified by the state and collects used oil from the public at no charge.~~

(B) A certified center shall post ~~a combined symbolic and information~~ an exterior sign of at least two feet by three feet in size, or shall post an exterior symbolic sign of at least two feet by 18 inches in size. If the exterior symbolic sign is posted, the combined symbolic and informational sign shall be concurrently ~~posted~~ *a design and specification prescribed by the board in a location that is easily visible from a public street. In addition, the certified center shall post an informational sign of a design and specification prescribed by the board* so that it is easily readable from the location where the used oil is received from the public. The exterior symbolic sign shall include the following words in a manner specified by the board: "Used Oil Collection Center."

(C) ~~The informational portion of the combined signs shall include the following words, in a manner specified by the board: "Used Oil Collection Center—Recycling Incentive Paid for Used~~

~~Lubricating Oil in Containers During Business Hours from Members of the Public Who Change Their Own Oil.”~~

~~(D) A center that does not accept used lubricating oil from the public during all of its business hours, but meets the requirements of paragraph (1), shall indicate on the exterior sign the hours when that used oil is accepted at no charge from the public and these hours shall be posted instead of the business hours.~~

~~(E)~~

(C) If local zoning ordinances prevent signs of a size consistent with this paragraph, the exterior symbolic sign shall be of the maximum allowable size.

(c) Notwithstanding subdivision (b), a used oil collection center may refuse to accept used lubricating oil ~~which~~ *that* has been contaminated in a manner other than that which would occur through normal use.

(d) Notwithstanding subdivision (b), ~~no~~ a used oil collection center shall *not* knowingly accept used lubricating oil for which a payment has not been made pursuant to Section 48650.

SEC. 16. Section 48660.5 of the Public Resources Code is amended to read:

48660.5. (a) If the board finds that a shipment of used oil from a certified used oil collection center ~~or a~~, curbside collection program, *or an uncertified publicly funded used oil collection center in a small rural county* is contaminated by hazardous materials in excess of that which generally occurs in normal use, which renders the used oil infeasible for recycling, and requires that the used oil be destroyed at a substantially higher cost than the cost generally to recycle used oil, the board shall, upon application by the used oil collection center or curbside collection program, reimburse the center or program for the additional disposal cost, subject to the eligibility requirements of subdivision (b), except as provided in subdivision (c).

(b) A certified used oil collection center ~~or~~, curbside collection program, *or an uncertified publicly funded used oil collection center in a small rural county* is eligible for reimbursement only if it demonstrates to the satisfaction of the board all of the following, *except that paragraph (1) does not apply to a publicly funded used oil collection center in a small rural county*:

(1) The center or program has established procedures to ensure that the used oil it generates and accepts from the public will not

1 be mixed with other hazardous wastes, especially ~~halogenated~~
2 *halogen-contaminated and polychlorinated biphenyl-contaminated*
3 wastes. These procedures shall include, but not be limited to,
4 instructing the public and employees that used oil shall not be
5 mixed with other hazardous waste. The board shall not require a
6 center or program to test used oil received from the public as part
7 of these procedures.

8 (2) The shipment contains not more than five gallons or pounds
9 of contaminants combined, based on the contaminant
10 concentrations and the total volume or weight of the shipment.

11 (c) ~~In any a calendar year, a used oil collection center or,~~
12 *curbside collection program, or uncertified publicly funded used*
13 *oil collection center in a small rural county* shall be reimbursed
14 for not more than one shipment and for not more than five thousand
15 dollars (\$5,000) in disposal costs, *for halogen-contaminated waste*
16 *or not more than the actual net additional costs of disposing of*
17 *polychlorinated biphenyl-contaminated wastes*, subject to the
18 availability of funds pursuant to Section 48656.

19 *SEC. 17. Section 48662 of the Public Resources Code is*
20 *amended to read:*

21 48662. (a) The board shall certify or recertify any used oil
22 recycling facility *located in this state* for which the board has
23 received a report from the department pursuant to Section 48661,
24 unless the board determines that the facility is engaged in a
25 repeating or recurring pattern of noncompliance that poses a
26 significant threat to public health and safety or the environment.
27 ~~If the board denies certification, the board may subsequently certify~~
28 ~~a facility if it determines that the facility meets the standards for~~
29 ~~certification.~~

30 (b) *Except as provided in paragraph (2) of subdivision (c), the*
31 *board shall require an out-of-state recycling facility, that receives*
32 *used oil from a California generator to which a recycling incentive*
33 *may be paid, to register with the board, declaring, under penalty*
34 *of perjury, that the facility is operating in substantial compliance*
35 *with Part 279 (commencing with Section 279.1) of Title 40 of the*
36 *Code of Federal Regulations.*

37 (c) *The board shall certify or recertify a rerefiner of used oil*
38 *for which the board has received a report from the department*
39 *that the facility meets either of the following requirements:*

1 (1) *The used oil recycling facility located in this state is certified*
2 *pursuant to subdivision (a) and produces rerefined base lubricant*
3 *meeting the specifications as defined in Section 48620.2.*

4 (2) *The used oil recycling facility is an out-of-state facility that*
5 *has demonstrated to the satisfaction of the department all of the*
6 *following:*

7 (A) *The facility substantially meets the requirements in Part*
8 *279 (commencing with Section 279.1) of Title 40 of the Code of*
9 *Federal Regulations.*

10 (B) *The facility produces rerefined base lubricant meeting the*
11 *specifications as defined in Section 48620.2.*

12 (C) *The facility meets California standards for used oil handling,*
13 *waste classification, and disposal specified in Section ____ of the*
14 *Health and Safety Code.*

15 (d) *An out-of-state facility that seeks certification shall annually*
16 *certify in writing to the board, under penalty of perjury, that the*
17 *facility substantially meets the requirements in paragraph (2) of*
18 *subdivision (c).*

19 (e) *Paragraph (2) of subdivision (c) does not require the*
20 *department to inspect or prohibit the department from inspecting*
21 *an out-of-state facility to determine whether the department is*
22 *satisfied that the facility substantially meets the requirements for*
23 *certification.*

24 (f) *As a condition of demonstrating compliance pursuant to*
25 *paragraph (2) of subdivision (c), a facility shall enter into an*
26 *agreement with the department pursuant to Section 25201.9 of the*
27 *Health and Safety Code to pay the department's full expenses of*
28 *conducting the review and any inspection costs the department*
29 *may incur in determining whether the facility meets the*
30 *requirements for certification.*

31 (g) *If the board denies certification to a facility subject to*
32 *subdivision (a) or (c), the board may subsequently certify the*
33 *facility if it determines that the facility meets the standards for*
34 *certification.*

35 SEC. 18. *Section 48670 of the Public Resources Code is*
36 *amended to read:*

37 48670. (a) *To be eligible for payment of a recycling incentive,*
38 *an industrial generator of used lubricating oil, a used oil collection*
39 *center, or a curbside collection program shall report to the board,*

1 for each quarter,~~the based on the following reporting limitations~~
2 ~~and requirements:~~

3 (1) ~~The amount of lubricating oil purchased and the amount of~~
4 ~~used lubricating oil that is transported to a certified used oil~~
5 ~~recycling facility, or to a used oil storage facility or to a used oil~~
6 ~~transfer facility, or that is transported to an out-of-state recycling~~
7 ~~facility registered with the Environmental Protection Agency and~~
8 ~~permitted to operate by the applicable regulatory agency of the~~
9 ~~state in which the facility is located, or that is used to generate~~
10 ~~electricity pursuant to subdivision (b) of Section 48651. The board~~
11 ~~to be operating in substantial compliance with Part 279~~
12 ~~(commencing with Section 279.1) of Title 40 of the Code of Federal~~
13 ~~Regulations.~~

14 (2) ~~The amount of used lubricating oil collected from the public,~~
15 ~~for use in determining the recycling incentive payment, that is~~
16 ~~transported to a certified used oil recycling facility, to a used oil~~
17 ~~storage facility, or to a used oil transfer facility, or that is~~
18 ~~transported to an out-of-state recycling facility registered with the~~
19 ~~board to be operating in substantial compliance with Part 279~~
20 ~~(commencing with Section 279.1) of Title 40 of the Code of Federal~~
21 ~~Regulations. However, a certified collection center with service~~
22 ~~bays located in a small rural county shall be eligible for a recycling~~
23 ~~incentive based on 60 percent of the total oil recycled by collecting~~
24 ~~used oil from the public and servicing motor vehicles. If the center~~
25 ~~documents, in the form prescribed by the board, that the portion~~
26 ~~that resulted from public collection exceeds 60 percent of the total~~
27 ~~oil recycled, the center shall be eligible for the incentive payment~~
28 ~~based on the actual amount of used oil accepted from the public~~
29 ~~and recycled.~~

30 (b) ~~The reports shall be submitted on or before the 45th day~~
31 ~~following each quarter, in the form and manner—~~which~~ that the~~
32 ~~board may prescribe, and shall include copies of manifests or~~
33 ~~modified manifest receipts from used oil haulers.~~~~The~~

34 (c) ~~The board may delegate to the executive officer of the board~~
35 ~~the authority to accept reports submitted after the 45th day and to~~
36 ~~reduce, eliminate, or approve the amount of incentive fee to be~~
37 ~~paid due to the late submission of the report. The board may~~
38 ~~provide, by regulation, for a longer reporting period for industrial~~
39 ~~generators that generate less than 1,000 gallons of used oil~~
40 ~~annually.~~

1 *SEC. 19. Section 48673 of the Public Resources Code is*
2 *amended to read:*

3 48673. (a) Beginning July 1, 1992, ~~every~~ a used oil recycling
4 facility issued a permit by the department to produce recycled oil,
5 as defined in Section 25250.1 of the Health and Safety Code, and
6 an out-of-state recycling facility that is either registered with the
7 board pursuant to subdivision (b) of Section 48662 or certified by
8 the board pursuant to subdivision (c) of Section 48662, shall report
9 to the board for each quarter the amount of California used oil
10 received and the resultant amount of recycled oil produced. ~~The~~

11 (b) A facility subject to this section shall provide estimates,
12 where feasible, of the amount ~~which~~ that is used lubricating oil
13 and the amount ~~which~~ that is used industrial oil. ~~The~~

14 (c) The reports required by this section shall be submitted on
15 or before the last day of the month following each quarter, in the
16 form and manner ~~which~~ that the board may prescribe.

17 *SEC. 20. Section 48674 of the Public Resources Code is*
18 *amended to read:*

19 48674. After receiving ~~a block grant~~ payments pursuant to
20 paragraph ~~(4)~~ (3) of subdivision (a) of Section 48653, each local
21 government shall submit ~~an annual~~ a report to the board, ~~on or~~
22 ~~before the date in the manner~~ specified by the board, ~~which~~ that
23 includes any amendments to the local used oil collection program
24 adopted pursuant to Section 48690, a description of all measures
25 taken to implement the program, and a description of how ~~the~~
26 ~~block grant~~ ~~was~~ payments were expended.

27 *SEC. 21. Section 48690 of the Public Resources Code is*
28 *amended to read:*

29 48690. A local government is eligible for a ~~block grant~~ payment
30 pursuant to paragraph (3) of subdivision (a) of Section 48653, if
31 it develops and submits a local used oil collection program to the
32 board pursuant to Section 48691 and files a report pursuant to
33 Section 48674. The board shall make ~~a grant~~ an advanced payment
34 to every local government that submits a program and files a report
35 unless the board finds that the program or its implementation does
36 not comply with criteria contained in this article. The board may
37 make a ~~block grant~~ payment to another entity that will implement
38 the program of a local government in lieu of making a ~~block grant~~
39 payment to that local government with the concurrence of that
40 local government. *If a local government does not implement a used*

1 oil collection program or chooses not to accept the payment
2 pursuant to paragraph (3) of subdivision (a) of Section 48653, the
3 board may allocate that local government's payment to another
4 local government that commits to implementing a used oil
5 collection program pursuant to Section 48691 and serving the
6 residents of the nonparticipating local government provided that
7 any program implemented within the boundaries of the
8 nonparticipating jurisdiction is approved by the nonparticipating
9 jurisdiction.

10 SEC. 22. Section 48691 of the Public Resources Code is
11 amended to read:

12 48691. (a) A local used oil collection program shall provide
13 for used lubricating oil collection by either of the following or a
14 combination of the two:

15 (1) Ensuring that at least one certified used oil collection center
16 is available for every 100,000 residents not served by curbside
17 used oil collection, ~~which~~ that accepts oil from the public at no
18 charge, at least 20 hours each week, on four days each week, of
19 which three hours each week are outside the weekday hours of 8
20 a.m. through 5:30 p.m.

21 (2) Providing used oil curbside collection at least once a month.

22 (b) A local used oil collection program shall include a public
23 education program ~~which shall inform~~ that informs the public of
24 locally available used oil recycling opportunities.

25 (c) A local government may implement its used oil collection
26 program in conjunction with other similar programs in order to
27 improve used oil recycling efficiency.

28 (d) ~~(4)~~ A local government that has implemented the used oil
29 collection and education elements of subdivisions (a) and (b) may
30 also include, in the local used oil collection program, ~~provisions~~
31 *one or both of the following:*

32 (1) *Provisions* for the mitigation and the collection of oil and
33 oil byproducts, including other solid waste that may be mixed with
34 oil or oil byproducts from ~~storm water~~ stormwater runoff, including
35 devices to capture that ~~storm water~~ stormwater runoff, such as the
36 use of storm drain inlet filter ~~devices~~.

37 ~~(2) A devices.~~ A local government shall not receive a ~~block grant~~
38 payment pursuant to Section 48690 for the purposes identified
39 pursuant to *this* paragraph ~~(1)~~ unless the local government certifies
40 that it has a ~~storm water~~ stormwater management program that is

1 approved by the appropriate California regional water quality
2 control board and that the provisions in the local used oil collection
3 program approved for funding under *this* paragraph~~(1)~~ are
4 consistent with that approved ~~storm water~~ *stormwater* management
5 program.

6 (2) *A used oil filter collection and recycling program.*

7 SECTION 1. ~~Section 48650 of the Public Resources Code is~~
8 ~~amended to read:~~

9 ~~48650. (a) Every oil manufacturer shall pay to the board, on~~
10 ~~or before the last day of the month following each quarter, an~~
11 ~~amount equal to four cents (\$0.04) for every quart, or sixteen cents~~
12 ~~(\$0.16) for every gallon, of lubricating oil sold or transferred in~~
13 ~~the state, or imported into the state for use in the state in that~~
14 ~~quarter. For lubricating oil sold by weight, a weight to volume~~
15 ~~conversion factor of 7.5 pounds per gallon shall be used to~~
16 ~~determine the fee. Except as provided in subdivision (b), payment~~
17 ~~is not required for oil that meets any of the following:~~

18 ~~(1) Oil for which a payment has already been made to the board~~
19 ~~pursuant to this section.~~

20 ~~(2) Oil exported or sold for export from the state.~~

21 ~~(3) Oil sold for use in vessels operated in interstate or foreign~~
22 ~~commerce.~~

23 ~~(4) Oil imported into the state in the engine crankcase,~~
24 ~~transmission, gear box, or differential of an automobile, bus, truck,~~
25 ~~vessel, plane, train, or heavy equipment or machinery.~~

26 ~~(5) Bulk oil imported into, transferred in, or sold in the state to~~
27 ~~a motor carrier, as defined in Section 408 of the Vehicle Code,~~
28 ~~and used in a vehicle designated in subdivisions (a) and (b) of~~
29 ~~Section 34500 of the Vehicle Code.~~

30 ~~(6) The oil otherwise subject to payment pursuant to this~~
31 ~~subdivision has a volume of five gallons or less.~~

32 ~~(b) If oil exempted from payment pursuant to subdivision (a)~~
33 ~~is subsequently sold or transferred for use, or is used, in this state,~~
34 ~~and the use does not qualify for exemption pursuant to subdivision~~
35 ~~(a), the entity that sells, transfers, or uses the oil for a purpose that~~
36 ~~is not exempt from payment, shall make the payment specified in~~
37 ~~subdivision (a).~~

38 ~~(c) (1) The board may develop a program to provide incentives~~
39 ~~to manufacturers of rerefined oil to develop additional capacity~~
40 ~~for the rerefining of used oil.~~

- 1 ~~(2) For purposes of this subdivision, “rerefined oil” means a~~
2 ~~lubricant base stock or oil base that has been derived from used~~
3 ~~oil and meets all of the following criteria:~~
- 4 ~~(A) Processed using a series of mechanical or chemical methods,~~
5 ~~or both, including, but not limited to, vacuum distillation, followed~~
6 ~~by solvent refining or hydrotreating.~~
- 7 ~~(B) Capable of meeting the physical and compositional~~
8 ~~properties, in addition to the contaminants and toxicological~~
9 ~~properties, as those terms are defined under the American Society~~
10 ~~for Testing and Materials (ASTM) D6074-99 standards.~~
- 11 ~~(C) Processed into a material that has a quality level suitable~~
12 ~~for use in a finished lubricant.~~